

Abstract

Investment banking is an important constituent of the financial market. As financial institutions, banks have an irreplaceable part in the functioning of the world's economies. Together with fiscal documents and financial markets they constitute the fundamentals of the financial system.

The financial market is a complicated system of interconnected relations of particular segments of the market, and investment banking is one such part. Its existence makes it possible to shift the savings of financial resources from saving subjects to ones in deficit by means of mediatory activities, which is performed with the help of various kinds of financial instruments, which are called investment instruments. The mediatory function of investment banking is a basic feature which makes a distinction between investment and commercial banking. Investment banks are main mediators that place released resources (savings) into the stock market. As is well known from the inherent laws of economy, the role of investments is crucial for a healthy circulation and functioning of the state economy. Without them the steady economic growth would be impossible. Due to these reasons I decided to analyse investment banking: its development and economic context, as well as the legal basis of these institutions and their activities in Czech system of law. In this diploma thesis I analyse particular aspects of investment banking and at the same time I point attention to regulations that might lead to interpretation problems.

The diploma thesis consists of five chapters, each of which analyses a different aspect of investment banking. The first chapter describes the evolution of investment banking from its beginning to the present. The second chapter analyses the financial crisis of 2008 and contains case studies of the fall of the biggest investment banks. The third chapter deals with investment banking as a component of the financial market, and with investment bank; the subchapters describe the structure of investment banks, their integration in Czech legal system, their inner structure, organization structure and risks connected with investment banks. The fifth chapter deals with investment transactions of banks.

In this diploma thesis I used the method of analysis, synthesis, empiric and dimensional analysis, the comparative method, the method of deduction and the logical method. The aim of this thesis was to create a comprehensive tutorial for persons interested in this topic, as it has not been described in its complexity at our faculty yet.